

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	East Germany	REPORT	
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Iron

1. The requirements of the iron industry have been fulfilled in quantity. The poor condition of iron products has been caused by the faulty application of quick Russian methods and the irregular and unsatisfactory deliveries from the countries with which commercial treaties have been concluded.
2. The Five-Year Plan aimed at producing 2,000,000 tons of iron in 1955, but this has been reduced to 1,840,000 tons. The reduced figure shows an increase of 529% compared with the 1950 production, and almost 800% with that of 1938. The reduction was caused by the cessation of construction in VEB Eisen-huettenkombinat StalinStadt and VEB Eisenwerk West, Calbe/Saale.
3. In the future, VEB Eisenwerk West will supply East German foundries; VEB Maxhuetten, Unterwellenborn, will produce only basic iron and will do the further processing in its own plant. Provided raw materials are punctually delivered, the production plans should be fulfilled, and in 1955 East Germany should produce 10.8% of all iron in both East and West Germany.

Steel

4. The production target of unrefined steel for 1955 has been reduced from 3,100,000 to 2,410,000 tons. The cancellation of a building project in VEB Edlstahlwerk Doehlen will affect the production of refined steel.
5. Basic steel is produced only in VEB Maxhuetten, Unterwellenborn, open-hearth steel at VEB Stahl- und Walzwerk Riesa, VEB Stahl- und Walzwerk Hennigsdorf, VEB Stahlbau Brandenburg, and VEB Eisen- und Huettenwerke Thale. Electric steel comes mainly from Doehlen, Maxhuetten, and Thale.
6. There is no conformity between the planned production of steel and the capacity of rolling mills at any of the plants. The result is a constant interchange of materials among the different plants, and this, together with the overloading of the railroads, often causes delays and stoppages of work. However, by 1955 the production of steel in East Germany should amount at least to 12.5% of that produced in both East and West Germany.

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(Note: Washington distribution indicated by "X"; Field distribution by "#")

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7. The capacity production of 48,000 tons of open-hearth steel and 23,000 tons of electric steel of the former SAG Marten plants is not considered part of the iron-producing industry but, as in the case of iron and steel castings, part of the machine industry.

Rolled Steel

8. The Five-Year Plan figures for rolled-steel production have been reduced from 2,200,000 to 1,900,000 tons. When this figure is attained, it will show an increase of 170% of 1938 and of 218% of 1950 production figures.
9. The expansion projects for the rolling mills have not been carried out, and the types of products will probably remain the same during 1955.
10. Up to the end of 1954, the proportional distribution of the total production among types of rolled steel produced in East Germany on an average is as follows:

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East Germany

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Steel rods and special profile steel (Formstahl)	36.8%
Thick sheets	18.1%
Medium sheets	3.9%
Thin sheets	7.0%
Rolled wire	2.9%
Hot-rolled strip iron	0.0%
Seamless tubes	2.0%
Various rolled products	29.3%

- a. A comparison of these figures will show certain gaps in the raw steel production, in particular hot-rolled strip, because there is no medium-strip rolling equipment in East Germany. The production of thick sheets is relatively high, but there are at most 3 rolling mills and most of the sheets are rolled on reconstructed copper sheet rollers.
- b. Special profile steel (Formstahl) is rolled only in VEB Machuette, Unterwellenborn. The steel rods program is to be carried out for the most part in Hennigsdorf and Riesa.

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